

The Environmental Protection Agency is Seeking Feedback on Reducing Regulatory Burden

Consistent with [Executive Order 13777](#), EPA is seeking public input on existing regulations that could be repealed, replaced or modified to make them less burdensome. As part of this effort, we will be accepting written public comments submitted through **May 15, 2017** at docket **EPA-HQ-OA-2017-0190**, which is accessible through [regulations.gov](https://www.regulations.gov). In addition, the Office of Air and Radiation (OAR), will host a public teleconference to obtain additional stakeholder feedback on air and radiation regulatory actions on **Monday, April 24, 2017, from 11:00am to 3:00pm EDT**.

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Background

On February 24, 2017, President Trump issued [Executive Order 13777](#) on Enforcing the Regulatory Agenda. The Executive Order (EO) establishes the “policy of the United States to alleviate unnecessary regulatory burdens placed on the American people.” Among other things, it requires each agency to create a Regulatory Reform Task Force (Task Force) to evaluate existing regulations and to identify regulations that should be repealed, replaced or modified.

In implementing the EO, on March 24, 2017, Administrator Pruitt advised several EPA offices, including OAR, to provide the Task Force recommendations regarding specific rules that could be repealed, replaced or modified to make them less burdensome by May 15, 2017. As part of the process, OAR is hosting a public meeting to solicit proposals for EPA air and radiation regulations that could be repealed, replaced or modified to make them less burdensome. . Please see <https://www.epa.gov/aboutepa/about-office-air-and-radiation-oar> for more information on statutes, EOs, and programs that OAR implements.

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Public Teleconference

OAR is holding a public meeting via teleconference on April 24, 2017 so that we can listen and learn from those directly impacted by our regulations. The focus of this teleconference will be on **air and radiation actions only**. We invite you to provide input on these rules during the public teleconference. Information on joining the teleconference and submitting comments through the docket are below. For questions about this process, please contact oaractions@epa.gov.

Date: April 24, 2017

Time: 11:00 a.m. – 3:00 p.m. EDT

Participant Dial-in Number:

Conference ID#:

OAR's public teleconference will be an operator assisted call. The call will start with brief remarks from EPA and the remainder of the call will be dedicated to listening to public input.

Participants wishing to speak or listen do not need to register in advance for the teleconference. To hear the opening remarks, please dial in 10 minutes before the start time. You may call into the teleconference at any time during the five-hour period.

If you wish to speak, at any time, you may nominate yourself to speak by hitting *1 on your phone. Your name will be added to a queue. Speakers will be asked to deliver 3 minutes of remarks and will be called on a ***first come, first served basis***. OAR will do our best to hear from everyone who wishes to speak. The teleconference will be transcribed and will be added to the docket. If you do not have the opportunity to speak on the call, please submit your input to the EPA-wide docket (docket number: EPA-HQ-OA-2017-0190). OAR will give equal consideration to input provided through either of these methods.

For more information on OAR's public teleconference please visit: **INSERT URL**

For more information on upcoming public engagement opportunities offered by other EPA offices please visit: <https://www.epa.gov/laws-regulations/regulatory-reform>

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Submitting Comments and/or Proposals to the Docket

Comments can be submitted to the EPA-wide public docket, **EPA-HQ-OA-2017-0190**, which is available at www.regulations.gov. The docket will be open until May 15, 2017.

We ask that you clearly denote the subject area on which you are providing input at the beginning of your comment. The subject area could include, but is not limited to, a reference to any of the following:

- Code of Federal Regulations regulatory cite or Part/Subpart cite (e.g., 40 CFR part 1900, 40 CFR 1900.10(b), etc.);
- Federal Register citation;
- Regulatory program or rulemaking title;
- Title of guidance document.

Detailed instructions on how to submit comments to the docket are available at:

<https://www.regulations.gov/help>. Also, EPA's Tips for Effective Comments can be found at: <https://www.epa.gov/dockets/commenting-epa-dockets#tips>.

**U.S. Environmental Protection Agency Response to the U.S. Department of Commerce on
Permit Streamlining and Reducing Regulatory Burdens for Domestic Manufacturing**
April 17, 2017

Presidential Memorandum

On January 24, 2017, President Trump issued a memorandum titled “Streamlining Permitting and Reducing Regulatory Burdens for Domestic Manufacturing.”¹ The memorandum includes three primary directives:

1. Executive departments and agencies shall support the expansion of manufacturing in the United States through expedited reviews of and approvals for proposals to construct or expand manufacturing facilities and through reductions in regulatory burdens affecting domestic manufacturing.
2. The Secretary of Commerce shall conduct outreach to stakeholders concerning the impact of federal regulations on domestic manufacturing and shall solicit public comments on federal actions to streamline permitting and reduce regulatory burdens for domestic manufacturers. This process will include the Departments of Agriculture and Energy, the Environmental Protection Agency (EPA), the White House Office of Management and Budget, the Small Business Administration, and other agencies as appropriate.
3. The Secretary of Commerce shall submit to the President a plan to streamline federal permitting processes for domestic manufacturing and to reduce regulatory burdens affecting domestic manufacturers. The report should identify priority actions as well as recommended deadlines for completing actions. The report also may include recommendations for any necessary changes to existing regulations or statutes, as well as actions to change policies, practices, or procedures that can be taken under existing authority.

U.S. Department of Commerce Request

On March 28, 2017, the Department of Commerce (DOC) asked EPA and other agencies and departments to provide responses to the following questions by April 14, 2017:

1. Briefly describe any of your agency’s reforms in progress now that pertain to this effort.
2. Provide specific regulatory reform targets regarding your agency.
3. Provide a brief description of permitting processes related to manufacturing and describe ways they may be simplified.
4. Other advice and input as desired.

EPA is committed to engaging in robust streamlining of permitting and reducing regulatory burdens for domestic manufacturing. EPA is making improvements that will provide timely information and support to regulated entities in the permitting process. Identifying and implementing improvements to complex regulatory and permitting programs will require collaboration with EPA’s state and tribal partners and consultation with affected entities. Each effort will require performance metrics for progress in reducing time, paperwork, duplication, and other inefficiencies.

Streamlined permitting processes should result in:

¹ <https://www.whitehouse.gov/the-press-office/2017/01/24/presidential-memorandum-streamlining-permitting-and-reducing-regulatory>

- Faster time to market for new and improved products;
- Reduced staff time spent by manufacturers in the permitting process;
- Reduced frequency and severity of unintended permit violations; and
- Increased clarity of permits and permit requirements leading to better environmental results.

Question 1: Agency Reforms in Progress Now

Agency-wide

EPA has partnered with its state co-regulators and the Environmental Council of States (ECOS) to create an electronic platform for federal, state, and tribal environmental permitting and reporting programs. The shared platform would support program-specific data management needs, accommodate future regulatory requirements, and easily address process changes. To the extent possible, the platform will also include services that can be used across agencies to avoid duplication and optimize standardization. Draft recommendations are likely by the end of calendar year 2017.

Clean Air Act

A State Implementation Plans (SIP) is a federally enforceable plan identifying how a state will attain and/or maintain primary and secondary National Ambient Air Quality Standards (NAAQS). EPA is required to review and approve SIPs for each state. Through the application of business process improvement methodologies, EPA Region 7 reduced its SIP review process steps from 165 to 134 and number of decision points from 14 to 8. Region 10 used a prioritization process to achieve a 36% average reduction (from 19 to 12 months) in process time. The tools help regulators schedule SIP development and review for all parties, triage SIPs based on their complexity, shift from sequential to concurrent steps at many points in the process, and engage regional planning organizations for technical work on multi-state issues. Through these and other improvements, EPA has reduced its backlog of nearly 700 SIP reviews and approvals by about 80% since 2013. EPA is preparing to share these strategies and tools agency-wide and with states in spring 2017.

On August 24, 2016, EPA issued a proposed rule to streamline and clarify processes related to submission and review of Clean Air Act (CAA) Title V petitions (see 81 FR 57822). The rulemaking will allow EPA to improve transparency for stakeholders and support E-enterprise, an EPA-state initiative to improve environmental performance and enhance services to the regulated community, environmental agencies, and the public. The proposal: 1. provides direction on submitting petitions to the agency; 2. describes the expected format and required content for petitions; 3. clarifies that permitting authorities must respond to significant comments received during the public comment period for draft Title V permits and to provide those responses to EPA; 4. identifies practices for stakeholders to ensure Title V permits have complete administrative records and comport with the CAA, and; 5. presents EPA's interpretation of certain Title V provisions and regulations regarding EPA objection to Title V petitions. The public comment period for this proposal closed on October 24, 2016.

The CAA requires that proposed sources subject to Prevention of Significant Deterioration (PSD) permitting demonstrate that their impacts will not cause or contribute to violation of NAAQS or PSD increments. Significant Impact Levels (SILs) are compliance demonstration tools that can be used in air quality assessments as alternatives to or in conjunction with air quality modeling. This draft guidance provides these tools for ozone and PM_{2.5} and a policy, legal, and technical basis for using them in PSD air quality impact demonstrations. Use of SILs as compliance demonstration tools can protect air quality while streamlining the air quality modeling in the permitting process. The draft guidance is being revised based on comments received during the informal public comment period and technical peer review.

The draft Technical Guidance on Model Emissions Rates for Precursors for Ozone and Secondary PM_{2.5} assists state and local air agencies and manufacturing permit applicants in conducting screening level PSD compliance demonstrations for ozone and secondary PM_{2.5}. The draft guidance streamlines and reduces the burden of PSD compliance demonstrations for ozone and secondary PM_{2.5} by providing a specific screening technique based on EPA modeling that is scientifically credible and flexible in its use by permit applicants. EPA received positive public comments on this screening technique. The final guidance is scheduled to be released in conjunction with final SILs guidance.

EPA maintains a clearinghouse documenting permit decisions, particularly New Source Review permits, and certain standards such as reasonably available control technology, best available control technology, and lowest achievable emission rate. During the past several years, EPA has improved the clearinghouse's platform and content, but opportunities remain to improve both the platform and the content to better serve as a permitting support tool for the regulated community and state and local permitting authorities. EPA could engage with key stakeholders to identify additional aspects of the database to support more streamlined and expedited New Source Review permitting.

National Pollutant Discharge Elimination System

EPA is proposing revisions to modernize the National Pollutant Discharge Elimination System (NPDES) regulations. The revisions would eliminate regulatory and application form inconsistencies; improve permit documentation, transparency, and oversight; clarify existing regulations; and remove outdated provisions. The proposed revisions would provide NPDES permit writers with improved tools to write better permits. The revisions would also provide the public with enhanced opportunities for public participation in permitting actions. These revisions would further align NPDES regulations with statutory requirements from the 1987 Clean Water Act (CWA) Amendments and recent case law.

Resource Conservation and Recovery Act

EPA Region 1 and the Massachusetts Department of Environmental Protection used Lean methods to streamline the Resource Conservation and Recovery Act (RCRA) permit renewal process. The new process simplifies and accelerates approvals by front-loading and standardizing communications with each permittee to ensure all parties understand expectations prior to submitting the application. The numbers of process steps were reduced from 31 to 24, while the time required to develop a draft permit was reduced from 15 to 6.5 months. EPA is making these tools available Agency-wide to simplify and accelerate approvals of RCRA permits.

Before contaminated industrial sites can be cleaned up and redeveloped, EPA must complete the feasibility investigation and remedy selection process, which the RCRA FIRST approach is streamlining to save taxpayer dollars, reduce risks sooner, and expedite economic development. EPA held two business process improvement events in which regional, headquarters, state, and industry representatives mapped and analyzed existing process steps. EPA then developed a new approach to the entire process, which when implemented will reduce the planning and investigation phase by an estimated 49% (10 years to 5.1 years) and reduce the remedy selection phase by an estimated 75% (6 years to between 1 and 2 years)

PCB Facility Approval Streamlining Toolbox (PCB FAST)

EPA Region 9 reduced the time to approve PCB cleanup applications by 20% through a business process improvement event. The improvements establish a standard template for the application that can be used by other regions. Other best practices identified include reaching agreement upfront on the project plan before the application is submitted; completing site characterization before applying; and incorporating

routine communication. These changes will result in improving the quality of the application, reducing delays, and strengthening relationships with state partners and the regulated industry. A description of the Lean event and the tools and lessons learned are being made available agency-wide for others to accelerate PCB cleanup approvals.

Question 2: Specific Regulatory Reform Targets

EPA is eager to take actions to fulfill the expectations of the President's memorandum by complementing permit streamlining with regulatory burden reduction for domestic manufacturers. EPA is considering and analyzing the public comments submitted to DOC in response to the President's memorandum of January 24, 2017. Of the 170 comments submitted, 97 mention EPA, and many of those mentioned permitting programs and regulatory burdens. In addition, EPA is responding to several new Executive Orders (EO) that affect the same statutes and regulations.² We welcome this opportunity, appreciate the public's input, and look forward to advancing this important work to enhance environmental protection while promoting economic growth.

EPA's Office of Policy is engaged in a broader review process to develop an internal plan to streamline permit programs and reduce regulatory burdens. As required by EO 13777, Administrator Pruitt recently formed EPA's Regulatory Task Force and has designated Samantha Dravis, Senior Counsel to the Administrator and Associate Administrator for Policy, as EPA's Regulatory Reform Officer. Ms. Dravis will manage EPA's response to the EOs and identification of regulatory reform targets. Initial regulatory reform targets include:

Agency-wide

EPA will conduct a comprehensive review of opportunities for lengthening and harmonizing permit renewal cycles for all permitting programs to the extent possible. Given that manufacturers typically hold multiple environmental permits, extending permit renewal cycles will greatly reduce the administrative burden related to those permits. Revising permit periods will require regulatory changes.

Clean Air Act

On April 4, 2017, EPA announced that it is reviewing the 2016 Oil and Gas NSPS and, if appropriate, will initiate reconsideration proceedings to suspend, revise, or rescind the rule.³ In addition to other considerations, EPA will assess whether this rule would appropriately promote cooperative federalism and respect the authority and powers that are reserved to the states.

EPA intends to revise the CAA NSPS for stationary sources to require facilities to submit specified air emissions data reports to the EPA electronically and to allow facilities to maintain electronic records of the reports. Electronic reporting eliminates redundant submittals of reports by allowing multiple agencies to access the same report. It streamlines report reviews by using a standardized report format and electronic tools supporting data analysis. EPA estimates a burden reduction of about 160,000 hours after the program is fully implemented. EPA intends to take similar action on hazardous waste regulations at a later date.

Safe Drinking Water Act

² EO 13771 (82 FR 9339) (*Reducing Regulation and Controlling Regulatory Costs*, January 30, 2017); EO 13777 (82 FR 12285) (*Enforcing the Regulatory Reform Agenda*, February 24, 2017); EO 13778 (82 FR 12497) (*Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the "Waters of the United States" Rule*, January 28, 2017); EO 13783 (82 FR 16093) (*Promoting Energy Independence and Economic Growth*, March 28, 2017)

³ See <https://www.federalregister.gov/documents/2017/04/04/2017-06658/review-of-the-2016-oil-and-gas-new-source-performance-standards-for-new-reconstructed-and-modified>

EPA is seeking ways to simplify and clarify requirements imposed on drinking water systems to maintain safe levels of lead and copper in drinking water. Regulatory flexibilities will be considered once options are agency approved.

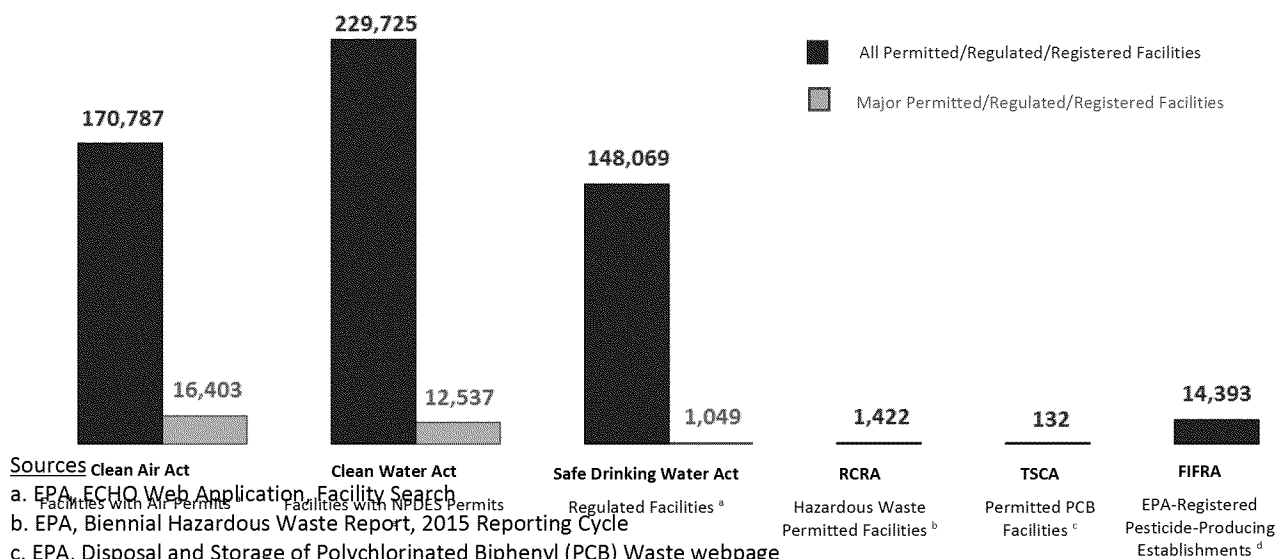
National Environmental Policy Act

Although some improvements to the National Environmental Policy Act (NEPA) review process have been adopted in recent years, additional reforms can drive further progress. Potential changes include reductions in the statute of limitations for judicial review of agency actions, delegation of authority, broader exemptions for project categories, and clarifications of key provisions of the act.⁴

Question 3: Permitting Processes Related to Manufacturing and Ways They May Be Simplified

Agency-wide Opportunities to Simplify Permitting Processes

Most U.S. manufacturers engage in activities that impact air, land, and water. As such, a single company may need multiple permits to satisfy environmental statutes across regulatory regimes and geographic areas.⁵ Regulations and permits can impact manufacturers' construction or operations because of their facilities' potential to emit pollutants.



In some instances, a general permit will authorize and set standards for specific activities in a common geographic area, such as a state or watershed. In these cases, the general permit can cover a multitude of pollution sources and/or companies, and each company must file a Notice of Intent to participate in the authorized activity rather than acquiring an individual permit. "General permits reduce the amount of time

⁴ See <https://www.americanactionforum.org/research/addressing-delays-associated-nepa-compliance/>

⁵To address the potentially burdensome nature of obtaining myriad permits, EPA has issued exemptions for classes of companies operating in various industry sectors.

needed to complete permitting and reviews for activities that will result in no more than minimal individual and cumulative adverse environmental impacts.”⁶

Because many U.S. manufacturers are impacted by multiple permitting processes, EPA must identify and implement streamlining approaches consistently across those processes and seek solutions that integrate the processes to the greatest extent possible. This effort should have the added benefit of breaking down regulatory “siloes” that create duplicative work and reduce opportunities for more integrated environmental management. EPA is eager to embark on this new effort to unleash the economic potential of the U.S. manufacturing sector while delivering clear air, water, and land for all Americans.

By May 15, 2017, EPA will establish an agency-wide permitting oversight workgroup to:

- Revise EPA’s public review and comment processes to ensure that entities affected by agency regulations are afforded meaningful opportunities to have their voices heard.⁷
- Unify permits across statutes to eliminate duplication and simplify permits for manufacturers and other affected entities.
- Modify permitting requirements to establish overall targets for appropriate geographic areas rather than for individual sources.
- Identify and implement opportunities to expand the general permit approach to more environmental media, pollutants, and permittees.
- Establish baselines and targets by which the effectiveness of EPA’s efforts to reduce the burdens associated with environmental permitting may be evaluated.

EPA recognizes the power of new technology to transform the speed and approach of our work. EPA also will use the National Pollutant Discharge Elimination System (NPDES) online permit application tool described below as a pilot to develop a single, unified system through which entities may submit permit applications, renewals, data, and other information.

Finally, EPA has in the past developed highly successful compliance assistance and recognition programs designed to aid U.S. manufacturers achieve and maintain regulatory compliance. Using those efforts as models and engaging with manufacturers to identify the most effective elements of those programs, the agency will deliver a reinvested compliance assistance program to specific manufacturing sectors in fiscal 2017. Additional sectors will be added to the program in fiscal 2018.

Statute-Specific Opportunities to Simplify Permitting Processes

The table below describes the major environmental statutes for which EPA has implementation responsibilities and the associated permitting programs that may affect U.S. manufacturers.

EPA Major Statutes and Permitting Programs Potentially Affecting Domestic Manufacturing

1. Clean Air Act

New Source Review: In areas that attain the National Ambient Air Quality Standards (NAAQS), NSR permits are referred to as Prevention of Significant Deterioration (PSD) permits. In NAAQS nonattainment areas they are referred to as Nonattainment NSR (NNSR) permits.

⁶ <https://www.permits.performance.gov/sites/permits.performance.gov/files/docs/FAST-41%20FY%202016%20Annual%20Report%20to%20Congress%204.15.17.pdf>

⁷ The U.S. Institute for Environmental Conflict Resolution has identified a comprehensive set of principles for stakeholder engagement in infrastructure permitting and review processes. See http://udall.gov/documents/Institute/Udall-InfrastructureStakeholderEngagementPrinciples_Final.pdf.

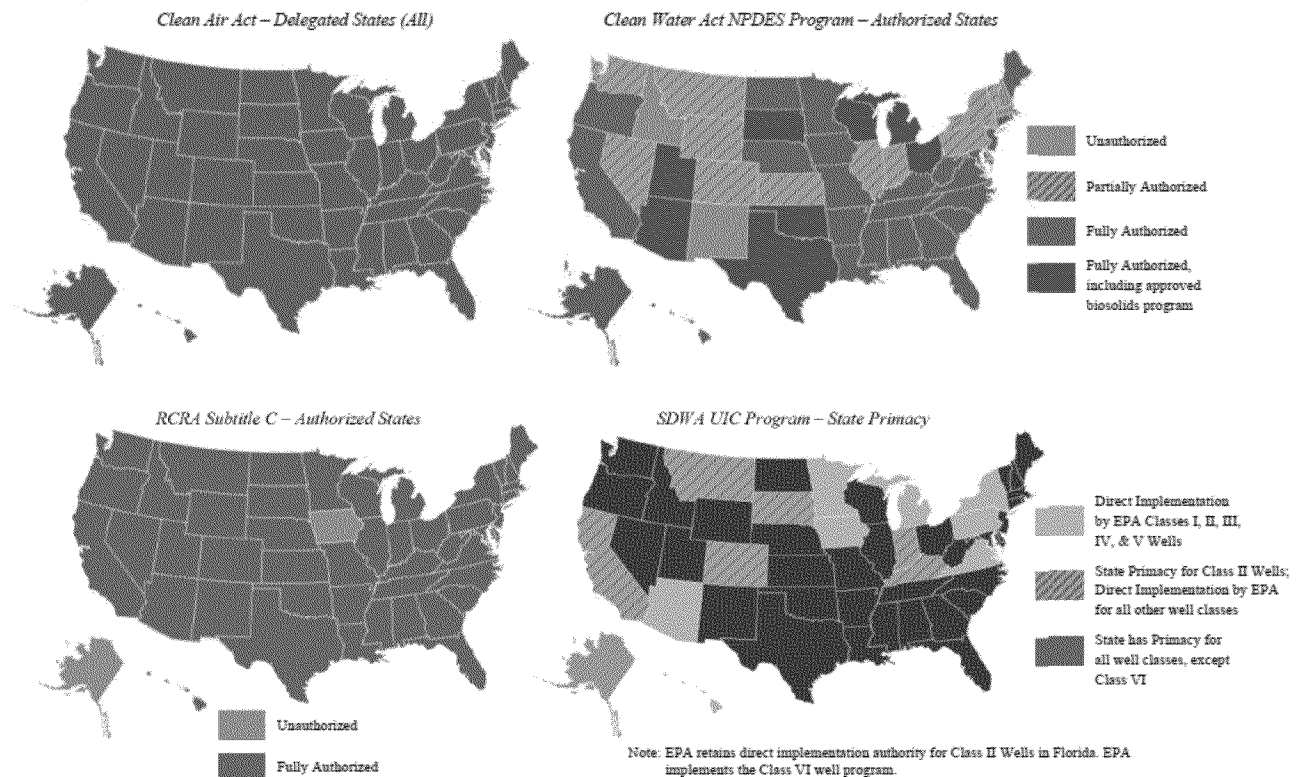
PSD pre-construction for new major sources, major modifications of existing sources of criteria pollutants
PSD pre-construction for synthetic minor sources of criteria pollutants
PSD minor construction permits for newly constructed stationary sources that do not require a PSD or major NNSR permit, or minor changes at major sources with increases in pollutants that do not trigger PSD or major NNSR permit
PSD major construction permits for new major sources, major modifications of existing sources, and synthetic minor sources of criteria pollutants
PSD permits on tribal lands
Major Construction Nonattainment NSR Permit for new major sources or major modifications to major sources in a nonattainment area
Construction Permits for Florida sources triggering New Source Review based on greenhouse gas (GHG) emissions
Construction permits for new major sources (or major modifications of sources) of criteria pollutants
PSD permits for offshore activities for Non GHG pollutants
Operating Permits, also referred to as Title V permits
Title V (Part 70) operating permits as warranted in States
Title V (Part 71) on the Outer Continental Shelf (beyond state waters)
Acid Rain Permitting Program
Facilities own an allowance of pollution that is reflected in an acid rain permit. Although allowances may be bought, sold, or banked, facilities may not emit at levels that would violate federal or state limits set under CAA Title I
2. Safe Drinking Water Act
Underground Injection Control (UIC) permits for Class I deep injection wells, large-scale Class II enhanced recovery (ER) project wells, Class III uranium in-situ recovery (ISR) wells or Class VI wells for Geologic Sequestration of CO ₂
Significant UIC permits for Class I injection well permitting actions on Indian Lands
Significant UIC permits in Alaska except for Class II wells
3. Clean Water Act
National Pollutant Discharge Elimination System (NPDES)
"Major" NPDES permits for existing sources with major modifications
"Non-major" industrial NPDES permits identified by EPA as a focus area, for new sources or new dischargers
Pretreatment Permits to dispose of pretreated wastewaters and sanitary sewage in Publicly Owned Treatment Works
Individual permits for facilities discharging the pollutant of concern at a level of significance to impaired water bodies that have 60+ points on the major-minor NPDES permit rating worksheet
Section 404 Dredge and Fill Wetlands Permits. The U.S. Army Corps of Engineers has authority to issue permits. EPA is responsible for developing environmental criteria for permit application, determining geographic jurisdiction and exemptions, and commenting on draft permits.
For manufacturing plant or plant expansion, will affect "waters of the United States."
4. Resource Conservation and Recovery Act (Subtitle C)
Owners or operators of facilities where hazardous waste is treated, stored, or disposed must have a permit which governs the operational, closure, and post-closure standards of the facility.
Modifications to existing RCRA permits that address new treatment processes
Corrective action cleanups involving potential off-site impacts
5. Toxic Substances Control Act
Polychlorinated-biphenyls (PCB) waste disposal activities in commercial landfills where there will be potential releases of PCBs and/or dioxins to the air, water and ground exceeding the regulatory levels from its operations
Approvals for PCB commercial storage
Disposal facility and risk-based cleanup approvals for those permits that may involve activities with significant public health or environmental impacts.
6. Federal Insecticide, Fungicide, and Rodenticide Act
Pesticide permits under the registration requirements, to manufacture pesticides, fertilizers and antimicrobials and industrial/household/ institutional products that perform these functions
7. Comprehensive Environmental Response, Compensation, and Liability Act
Focuses on the management and remediation of abandoned, non-operating sites with media contaminated by hazardous

8. National Environmental Policy Act

Requires federal agencies to develop Environmental Assessments (EAs) and Environmental Impact Statements (EISs), which are assessments of the likelihood of impacts from alternative courses of action, when such projects are proposed.

Importantly, most major pollution control laws authorize EPA to approve state and tribal governments to take significant programmatic responsibility for permitting, monitoring, and enforcement activities of the federal programs. As such, states and tribes will be important partners in identifying and implementing streamlining measures.

Delegated and Authorized States by Statute



Clean Air Act

The Clean Air Act (CAA) authorizes EPA with limiting air pollution from specific sources such as chemical plants and utilities throughout the United States.⁸ Under the CAA's New Source Review Permit Program, firms must install modern pollution control equipment when they build industrial facilities or make a change that significantly increases emissions from regulated facilities.⁹ The CAA Title V Operating Permit Program¹⁰ requires large facilities and pollution sources to obtain operating permits that essentially incorporate all applicable CAA requirements for the source. The CAA also includes more targeted permitting requirements. EPA's Enforcement and Compliance History Online (ECHO)¹¹ indicates that as of April 12, 2017, **170,787**

⁸ U.S. Code, Title 42, Chapter 85.

⁹ The New Source Review Permit Program is authorized by U.S. Code, Title 42, Chapter 85, Subchapter I, Parts C and D, as well as Section 110(a)(2)(C) of Part A.

¹⁰ The Code of Federal Regulations, Title 40, Chapter I, Subchapter C, Parts 70 and 71 detail the requirements of the Operating Permit Program. Title V of the Clean Air is codified as U.S. Code, Title 42, Chapter 85, Subchapter V, Sections 7661 to 7661f.

¹¹ Available online at <https://echo.epa.gov>.

active and operating facilities hold CAA permits. This includes 16,403 major facilities.¹²

EPA has several key flexible air permitting approaches applying to both preconstruction and operating permits. These include, for example, plantwide applicability limits (PALs) for preconstruction permits and alternative operating scenarios for operating permits. Although some industries, including manufacturers, have availed themselves of these approaches, many more have not. EPA intends to highlight and encourage use of flexible air permitting options by developing a comprehensive website and providing communication, outreach, and training to industry and permitting authorities on this issue. This would apply to both operating and preconstruction permits. This project would educate the regulated community as well as permitting authorities about the existing streamlined, but possibly underused, permitting options. These options are particularly useful to dynamic manufacturing sectors such as the semiconductor industry and other “quick-to-market” businesses that may have changes in product lines and other changes that can impact emissions. This effort would also dovetail with other efforts seeking to improve the economic competitiveness of the US manufacturing market.

Safe Drinking Water Act

The Safe Drinking Water Act (SDWA) authorizes EPA to set national standards for drinking water quality.¹³ As of April 12, 2017, ECHO indicates **148,069 facilities with a registered identification number under the Safe Drinking Water Act.** This includes **1,049 “major” facilities.**¹⁴ In addition, the SDWA authorizes EPA to develop federal requirements for injection wells to prevent contamination of underground sources of drinking water.¹⁵ The latest available National Underground Injection Control Inventory (Federal Fiscal Year 2015) indicates a total of **62,381 permitted wells.**¹⁶

Clean Water Act

The Clean Water Act (CWA)¹⁷ authorizes EPA to require permits for pollutant discharges from “point sources”¹⁸ into navigable waters. The permit program governing these discharges is EPA’s National Pollutant Discharge Elimination System (NPDES), which includes individual and general permits.¹⁹ As of April 12, 2017, ECHO indicates **229,725 facilities active and operating with an NPDES permit.** This includes **12,537 “major” facilities.**²⁰ EPA also plays an essential role in the CWA Section 404 Permit Program, which regulates the discharge of dredged or fill material into waters, including wetlands.²¹ EPA develops the environmental criteria to be used for the permit application, and determines the geographic jurisdiction and applicability of exemptions for the program.

¹² See EPA’s ECHO web application, Facility Search Feature, criteria: 1) Active/Operating; 2) Must Have Air Permit; and, 3) Major. <https://echo.epa.gov/facilities/facility-search?srch=adv>.

¹³ U.S. Code, Title 42, Chapter 6A, Subchapter 12.

¹⁴ See EPA’s ECHO web application, Facility Search Feature, criteria: 1) Active/Operating; 2) Must Have SDWA ID; and, 3) Major. <https://echo.epa.gov/facilities/facility-search?srch=adv>.

¹⁵ Code of Federal Regulations, Title 40, Parts 144 through 148.

¹⁶ To the extent that other well types, such as Class II non-disposal wells, may also be permitted on a geography-specific basis, this figure may be an underestimate.

¹⁷ U.S. Code, Title 33, Chapter 26.

¹⁸ The term “point source” refers to any discernible, confined and discrete conveyance, such as a pipe, ditch, channel, tunnel, conduit, discrete fissure, or container, and includes vessels or floating craft from which pollutants are or may be discharged. By law, it also includes concentrated animal feeding operations, i.e., places where animals are confined and fed. By law, agricultural stormwater discharges and return flows from irrigated agriculture are not “point sources.”

¹⁹ EPA’s regulations to implement and administer the NPDES permit program are located in the Code of Federal Regulations, Title 40, Part 122.

²⁰ See EPA’s ECHO web application, Facility Search Feature, criteria: 1) Active/Operating; 2) Must Have Water Permit (ICIS-NPDES); and, 3) Major. <https://echo.epa.gov/facilities/facility-search?srch=adv>

²¹ U.S. Code, Title 33, Chapter 26, Subchapter IV, Section 1344; <https://www.epa.gov/cwa-404/clean-water-act-section-404>. EPA guidelines are established by EPA in the Code of Federal Regulations, Title 40, Part 230.

Under the NPDES program, several streamlining opportunities could be undertaken to achieve efficiencies. EPA could streamline EPA's NPDES permit application forms for all industrial sectors. This is separate from the Applications and Program Updates Rule mentioned above. EPA has noted inconsistencies in the structure, appearance, and detail of the current NPDES forms and their accompanying instructions. EPA could work with stakeholders to revise its NPDES permit applications and provide modernized, online systems to streamline use by new and expanding industrial dischargers. Michigan, Ohio, and other states have already launched similar online systems. This streamlining effort potentially could be done without revisions to existing application regulations.

EPA also proposes to provide technical assistance in a variety of forms to new manufacturing facilities for training and information technology tools. First, EPA could provide enhanced web resources to guide new manufacturing facility applicants through the NPDES permit application process. EPA could do this by developing a web-based "wizard" to help new manufacturing facilities determine required forms and identify available resources to help them complete permit applications.

EPA also could provide dedicated training to new industrial facilities to reduce delays associated with incomplete or incorrectly filled out permit applications. Ensuring that the information coming is complete and accurate is a Lean way to reduce rework. EPA could develop a dedicated training module focusing on suggested best practices for new permit applicants to ensure that their NPDES application is complete and accurate and to avoid unnecessary delays related to incorrect filings.

Resource Conservation and Recovery Act

The Resource Conservation and Recovery Act (RCRA)²² RCRA authorizes EPA to develop a national system of solid waste control.²³ Under RCRA Subtitle C, owners/operators of facilities where hazardous waste is treated, stored, or disposed must hold a permit. EPA's RCRAInfoWeb indicates a total of **1,422 facilities managing and/or receiving hazardous waste**.²⁴ RCRA Subtitle D establishes criteria for the operation of municipal waste and industrial waste landfills. RCRA Subtitle I includes technical standards for operation and maintenance of underground storage tanks (USTs), which mainly store petroleum.²⁵

Toxic Substances Control Act

The Toxic Substances Control Act (TSCA) authorizes EPA to regulate production, import, use, and disposal of specific chemicals, including polychlorinated biphenyls (PCBs), asbestos, radon, and lead-based paint.²⁶ As of April 12, 2017, EPA data indicate that **58 facilities** have been approved TSCA to accept and/or dispose of PCB waste. An additional **67 facilities** have been issued permits to store PCBs until proper disposal of these wastes can occur. **Seven facilities** have been issued special EPA approvals for specific PCB decontamination

²² U.S. Code, Title 42, Chapter 82.

²³ The regulatory requirements for the waste management program under the Resource Conservation and Recovery Act are located in the Code of Federal Regulations, Title 40, Chapter I, Parts 239 through 282.

²⁴ Estimated through use of the raw dataset underlying the 2015 Biennial Report, accessible at https://rcrainfo.epa.gov/rcrainfoweb/action/modules/br/national?_fp=TkHYkyKBockBCh7M23dwbKUMq0qZYlyJsf-hu--9ZdyLr0rVOo9IblTa5cFs-3KhW9RpVFDJ-xvgM8nLOkGcHQ%3D%3D&d-4711493-e=2&searchCriteria.stateCode=ALL&search=Submit&searchCriteria.reportCycle=2015&6578706f7274=1&_sourcePage=bFHwrn6Vxz4UVqRHxxRfYn5dioeSO33NCgWtginWANj_bzrB38Aiuw%3D%3D. Specifically, filtering on Column E, "Managed (Tons)" for non-zero values indicates 1,292 facilities; filtering on Column G, "Received (Tons)" indicates 419 facilities. Combining Columns E and G and filtering for remaining non-zero values indicates 1,422 facilities.

²⁵ EPA's regulatory requirements for USTs are codified in the Code of Federal Regulations, Title 40, Chapter I, Subchapter I, Parts 280 and 281.

²⁶ U.S. Code Title 15, Chapter 53, Subchapter I.

processes.²⁷ Prior to manufacture or import of chemicals not included in EPA's inventory and not excluded by TSCA, a premanufacture notice (PMN) describing the chemical's health and environmental effects must be submitted to EPA.

Stakeholders have raised concerns about delays in EPA's approval of PMNs causing major supply chain disruptions. Delays appear to have increased following passage of the Frank R. Lautenberg Chemical Safety for the 21st Century Act. Opportunities for improving this process exist in broader use of EPA's non-section 5(e) significant new use rule (SNUR) authority, which allows the agency to address deviations from the uses described in a PMN without incorporating a consent order.²⁸

Federal Insecticide, Fungicide, and Rodenticide Act

The Federal Insecticide, Fungicide, and Rodenticide Act of 1996 (FIFRA) provides for federal regulation of pesticide distribution, sale, and use.²⁹ Under FIFRA, all pesticides distributed or sold in the United States must be registered by EPA. EPA assesses the risks and benefits of a pesticide's use, designs label directions to control product use, requires training and certifications for pesticide applicators and workers, and suspends or cancels pesticide registrations as necessary.³⁰ As of April 12, 2017, ECHO indicates **11,884 domestically-owned and registered pesticide-producing establishments** and **2,509 foreign-owned, registered pesticide-producing establishments**. As of April 12, 2017, the National Pesticide Information Center lists **408,203 federally-registered pesticide products**.³¹

Comprehensive Environmental Response, Compensation, and Liability Act

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or "Superfund") establishes federal resources to clean up uncontrolled or abandoned hazardous waste sites, as well as accidents, spills, and other releases of pollutants and contaminants.³² CERCLA authorizes EPA to seek out the parties responsible for any release and assure their cooperation in the cleanup. EPA cleans up orphaned sites when potentially responsible parties cannot be identified or located, or when they fail to act. CERCLA does not establish a permitting framework, but sites falling under CERCLA purview receive EPA ID numbers.

National Environmental Policy Act

The National Environmental Policy Act (NEPA) assures that all branches of government consider environmental impacts prior to undertaking any major federal action that significantly affects the environment. NEPA requires federal agencies to develop Environmental Assessments (EAs) and Environmental Impact Statements (EISs), which are assessments of the likelihood of impacts from alternative courses of action, when such projects are proposed.³³ The median completion time for an EA in

²⁷ See EPA, "List of PCB Disposal Facilities and Approvals by Technology Type and EPA Region," at <https://www.epa.gov/pcbs/list-polychlorinated-biphenyl-pcb-disposal-facilities-and-approvals-technology-type-and-epa> for the list of EPA-issued PCB disposal approvals. See EPA, "List of Approved PCB Commercial Storage Facilities by EPA Region," at <https://www.epa.gov/pcbs/list-approved-polychlorinated-biphenyl-pcb-commercial-storage-facilities-epa-region> for the list of EPA-issued PCB storage permits. See EPA, "Facilities that Have Obtained Approval for Specific Decontamination Processes," at <https://www.epa.gov/pcbs/disposal-and-storage-polychlorinated-biphenyl-pcb-waste#PCBactivities>, for the list of facilities with special EPA approvals for specific PCB decontamination processes.

²⁸ See <https://blog.americanchemistry.com/2016/12/growing-pains-in-implementing-the-new-tsca-section-5-and-its-critical-role-in-innovation/>

²⁹ U.S. Code, Title 7, Chapter 6, Subchapter II.

³⁰ EPA regulations implementing pesticide-related statutes, including the Federal Insecticide, Fungicide, and Rodenticide Act, but also other statutes relating to pesticides, are available in the [Code of Federal Regulations, Title 40, Chapter I, Subchapter E, Parts 150 to 189](#).

³¹ See the National Pesticide Information Center's "Product Research Online" database at <http://npic.orst.edu/NPRO/>.

³² U.S. Code, Title 42, Chapter 103.

³³ <https://www.epa.gov/laws-regulations/summary-national-environmental-policy-act>

calendar year 2016 was 17 months and the median cost of an EA was \$200,000.³⁴ During the same period, the median completion time for an EIS was 5.4 years and the median cost was \$5.4 million.³⁵ NEPA permitting for some projects, however, can take much longer. The Rosemont Copper project in Arizona, for example, has been engaged in NEPA review since 2007. As a result of this delay, the value of the project has declined by at least \$3 billion.³⁶

NEPA's requirements were augmented by the Fixing America's Surface Transportation Act, which was signed into law in December 2015. On January 13, 2017, the White House Office of Management and Budget and the Council on Environmental Quality, in coordination with the Federal Permitting Improvement Steering Council (FPISC), issued guidance for agencies to carry out responsibilities under FAST Title 41. In addition to addressing statutory requirements, the guidance introduces a framework for tracking covered projects' environmental and community outcomes on the Permitting Dashboard, resulting in increased transparency.³⁷

Question 4: Other Advice and Input

³⁴ https://www.energy.gov/sites/prod/files/2017/03/f34/LLQR_2017-03_0.pdf

³⁵ Ibid.

³⁶ http://mineralsmakelife.org/assets/images/content/resources/SNL_Permitting_Delay_Report-Online.pdf

³⁷ <https://www.permits.performance.gov/sites/permits.performance.gov/files/docs/Official%20Signed%20FAST-41%20Guidance%20M-17-14%202017-01-13.pdf>

Draft, deliberative, internal

DRAFT DRAFT DRAFT

Letter/email to stakeholders about opportunity to engage on EO 13777

Dear Stakeholder,

Consistent with Executive Order 13777, the U.S. Environmental Protection Agency's Office of Chemical Safety and Pollution Prevention (OCSPP) is hosting two meetings on April 24, 2017, to solicit input on regulations promulgated under the Toxic Substances Control Act (TSCA) and the Emergency Planning and Community Right-to-Know Act (EPCRA) that could be repealed, replaced, or modified to make them less burdensome.

On February 24, 2017, President Donald Trump issued [Executive Order 13777](#) on Enforcing the Regulatory Agenda. The Executive Order (EO) establishes the "policy of the United States to alleviate unnecessary regulatory burdens placed on the American people." Among other things, it requires each agency to create a Regulatory Reform Task Force to evaluate existing regulations and to identify regulations that should be repealed, replaced, or modified.

OCSPP is holding two public meetings (both of which the public is invited to participate in-person or via teleconference) on April , 2017 so that we can listen and learn from those directly impacted by our regulations.

The first meeting will be held from 9am to 12pm and will address regulations promulgated under TSCA Subchapters I (Control of Toxic Substances), II (Asbestos Hazard Emergency Response), VI (Formaldehyde Standards for Composite Wood Products), as well as EPCRA Subchapter II §11023 (Toxic chemical release forms), commonly referred to as the Toxics Release Inventory (TRI). These are regulations addressing chemical risk review and reduction programs including new and existing chemicals, polychlorinated biphenyls, asbestos, mercury and formaldehyde, as well as regulations implementing the TRI.

The second meeting will be held from 1pm to 2:30pm and will address regulations promulgated under TSCA Subchapter IV (Lead Exposure Reduction). These regulations address implementation of the Lead Renovation, Repair and Painting Program, Lead Abatement Program, Residential Lead-based Paint Disclosure Rule, and Residential Hazard Standards for Lead in Paint, Dust and Soil.

We invite you to provide input on these actions during the public meeting/teleconference or by submitting written comments to the [EPA-wide docket](#) using docket number: EPA-HQ-OA-2017-0190. The docket, which is accessible through www.regulations.gov, will remain open through May 15, 2017. OCSPP will give equal consideration to input provided through either of these methods.

Additional information on joining the meetings (in-person and via teleconference) and

submitting written comments through the docket is below. For questions about this process, please contact Darlene Leonard at leonard.darlene@epa.gov. For more information about this effort, please visit <https://www.epa.gov/laws-regulations/regulatory-reform>.

Participating in the Meetings:

Persons interested in attending the meeting on TSCA Subchapters I, II and VI, and EPCRA Subchapter II §11023, either in person or remotely, may register at <https://tsca-tri.eventbrite.com>.

Those interested in participating in the meeting on TSCA Subchapter IV, either in person or remotely, may register at <https://tsca-pb.eventbrite.com>.

Participants must indicate their interest in speaking when registering. To attend the meeting in person or to receive remote access, please register no later than April , 2017. While on-site registration will be available, seating will be on a first-come, first-served basis, with priority given to pre-registrants, until room capacity is reached. The Agency anticipates that approximately 150 people will be able to attend the meeting in person. For registrants not able to attend in person, the meeting will also provide remote access capabilities; registered participants will be provided information on how to connect to the meeting prior to its start.

Providing Input through the Docket:

Comments can be submitted to the public docket, EPA-HQ-OA-2017-0190, which is available at www.regulations.gov. The docket will be open until May 15, 2017.

Detailed instructions on how to submit comments to the docket are available at: <https://www.regulations.gov/help>. Also, EPA's Tips for Effective Comments can be found at: <https://www.epa.gov/dockets/commenting-epa-dockets#tips>.

We also recommend that you clearly include the subject area on which you are providing input at the beginning of your comment. The subject area could include, but is not limited to, a reference to any of the following:

- Code of Federal Regulations regulatory cite or Part/Subpart;
- Federal Register citation;
- Regulatory program or rulemaking title;
- Title of guidance document.

Executive Actions Overview

Executive Action	Date	Name	Brief Description
Presidential Memo 82 FR 8667	1/24/2017	Streamlining Permitting and Reducing Regulatory Burdens for Domestic Manufacturing	Directs agencies to expedite reviews and approvals of proposals to construct or expand manufacturing facilities and reduce regulatory burdens affecting domestic manufacturing.
EO13777 82 FR 12285	2/24/2017	Enforcing the Regulatory Reform Agenda	Directs agencies to implement and enforce regulatory reforms to alleviate unnecessary regulatory burden. Requests agencies to identify a Regulatory Reform Officer and create a Task Force to seek input from state, local, and tribal governments, small businesses, consumers, non-governmental organizations, and trade associations.
EO13781 82 FR 13959	3/13/2017	Presidential Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch	This order is intended to improve the efficiency, effectiveness, and accountability of the executive branch by directing the Director of the Office of Management and Budget (Director) to propose a plan to reorganize governmental functions and eliminate unnecessary agencies (as defined in section 551(1) of title 5, United States Code), components of agencies, and agency programs." (See Mulvaney Memo)
EO13783 82 FR 16093	3/28/2017	Promoting Energy Independence and Economic Growth	EPA to review the Clean Power Plan, related rules, and an Oil and Gas rule (the NSPS). Agencies to review existing regulations, orders, guidance documents, and policies that potentially burden the development or use of domestically produced energy resources.
Mulvaney Memorandum	4/12/2017	Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce	This memorandum provides agencies guidance on fulfilling the requirements of the Hiring Freeze PM and the Reorganization EO13781 while aligning those initiatives with the Federal budget and performance planning processes.
EO13790 82 FR 20237	4/25/2017	Promoting Agriculture and Rural Prosperity in America	This order establishes the Interagency Task Force, tasked to "identify legislative, regulatory and policy changes to promote in rural America agriculture, economic development, job growth, infrastructure improvements, technological innovation, energy security, and quality of life."
Relevant Executive Actions that Set General Direction			
EO13766 82 FR 8657	1/24/2017	Expediting Environmental Reviews and Approvals for High Priority Infrastructure Projects	The goal of this EO is to ensure that federal infrastructure decisions are accomplished with maximum efficiency and effectiveness while respecting property rights and protecting public safety and the environment.
EO13771 82 FR 9339	1/30/2017	Reducing Regulation and Controlling Regulatory Costs	Directs agencies to identify for elimination at least two prior regulations, for each new proposed regulation. (aka "2 for 1" EO) Total incremental cost of all new regulations (including repealed regs) to be finalized in FY17 must be ≤ 0.
EO13778 82 FR 12497	2/28/2017	Restoring the Rule of Law, Federalism and Economic Growth by Reviewing the "Waters of the United States" Rule	Directs EPA to review all orders, rules, regulations, guidelines, and policies implementing or enforcing the final "Waters of the United States" Rule. Formal rulemaking procedures will follow to rescind or revise any parts of the rule.

Draft Calendar Based on Executive Actions

Due		Action Item	Executive Action
A pri l	2 4	- Head of each agency to designate Regulatory Reform Officer. - OMB to issue guidance on how to measure progress.	EO13777
M ay	1 2	Administrator submits plan to OMB to carry out a review of all existing regulations, orders, guidance documents, policies, and other actions that potentially burden the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources.	EO13783
	1 5	OAR, OLEM, OCSPP, OW, OEI, OCIR, and small business should consult with stakeholders & provide (to RRTF) recommendations regarding specific rules that should be considered for repeal, replacement or modification.	EO13777
	2 1	EPA submits report to Department of Commerce	Presidential Memo 82 FR 8667
	2 6	RRTF to submit a report to the Administrator detailing EPA's progress toward (1) improving implementation of regulatory reform initiatives and policies and (2) identifying regulations for repeal, replacement, or modification.	EO13777
	3 0	Commerce submits Report to President	Presidential Memo 82 FR 8667
Ju ne	3 0	Agencies provide OMB: - high-level draft of their Agency Reform Plan that includes the Areas the agency is developing for their reforms; - progress on near-term workforce reduction actions; - plan to maximize employee performance	Mulvaney Memorandum
Ju ly		OMB to meet with CFO Act Agencies to discuss June 30th items (in lieu of FedStat & Strategic Reviews)	Mulvaney Memorandum
	2 6	Submit draft final report to Vice President, OMB, et. al. with specific recommendations that could alleviate or eliminate aspects of agency actions that burden domestic energy production.	EO13783
Se p		Agency to submit an Agency Reform Plan to OMB as part of FY2019 Budget submission to OMB that includes long-term workforce reductions.	Mulvaney Memorandum
	9	EPA submits to OMB proposed plan to reorganize the Agency, if appropriate, in order to improve the efficiency, effectiveness, and accountability of the agency.	EO13781
	2 4	Final report (unclear: submit to Vice President, OMB, et. al. ?)	EO13783
O ct	2 2	Secretary of Agriculture in coordination with the Task Force (EPA sits on task force) submits report to the President recommending legislative, regulatory, or policy changes.	EO13790
D ec	9	OMB submits a proposed plan to the President to reorganize the executive branch in order to improve the efficiency, effectiveness, and accountability of agencies.	EO13781
Fe b		OMB to begin tracking progress on the Government-wide Reform Plan.	Mulvaney Memorandum

Org (GAO/ OIG)	Report Name (Number)	Finding Type (Organization, Duplication, Efficiency)	Applicable Office or Region and Program	Finding
GAO	Data Center Consolidation: Agencies Making Progress, but Planned Savings Goals Need to Be Established, GAO-16-323	<p>Report addresses organizational structure, data center duplication and efficiency in consolidation efforts. In 2010, as the focal point for information technology management across the government, OMB's Federal Chief Information Officer launched the Federal Data Center Consolidation Initiative to reduce the growing number of centers. Information technology reform legislation was subsequently enacted in December 2014 that included a series of provisions related to the federal data center consolidation effort, including requiring agencies to report on cost savings and requiring GAO to annually review agency inventories and strategies.</p> <p>GAO's objectives were to (1) review agencies' data center closures to date and plans for further closures, (2) evaluate agencies' progress in achieving consolidation savings and describe plans for future savings, and (3) assess agencies' progress against OMB's data center optimization targets. To do so, GAO assessed agencies' data center inventories, reviewed agency-reported cost savings and avoidance documentation, and compared agencies' data center optimization data as of November 2015 against OMB's established targets.</p>	OEI	<p>GAO Recommendation:</p> <p>To better ensure that federal data center consolidation and optimization efforts improve governmental efficiency and achieve cost savings, we recommend that the Secretaries of the Departments of the Interior, State, Transportation, and the Treasury; the Administrators of the Environmental Protection Agency, National Aeronautics and Space Administration, Small Business Administration; the Directors of the National Science Foundation and the Office of Personnel Management; and the Chairman of the Nuclear Regulatory Commission take action to address challenges in establishing, and to complete, planned data center cost savings and avoidance targets for fiscal years 2016 through 2018.</p> <p>EPA Response:</p> <p>The EPA agrees with the recommendation. The EPA has established a revised and enhanced approach for meeting or exceeding the OMB's established data center cost savings and avoidance targets for fiscal years 2016 through 2018. This revised approach establishes a single data center within each of several specific geographic areas. For each data center selected for retention, necessary upgrades will be made to address any potential capacity or performance issues. Stakeholders will then consolidate applicable data center assets into the cloud, an agency core data center, or applicable agency geographic data center. Surplus data center assets will be decommissioned and excessed or appropriately scaled to be realigned with reduced capacity requirements. Specific plans for each data center slated for consolidation are currently under development. The resulting total cost savings are under assessment and have not yet been determined.</p> <p>GAO Recommendation:</p> <p>We also recommend that the Secretaries of the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Labor, State, Transportation, the Treasury and Veterans Affairs; the Attorney General of the United States; the Administrators of the Environmental Protection Agency, General Services Administration and U.S. Agency for International Development, the Director of the Office of Personnel Management; the Chairman of the Nuclear Regulatory Commission; and the Commissioner of the Social Security Administration take action to improve progress in the data center optimization areas that we reported as not meeting OMB's established targets, including addressing any identified challenges.</p> <p>EPA Response:</p> <p>The EPA agrees with the recommendation. To improve the EPA's progress in data center optimization areas that</p>

				currently fall short of the OMB's established targets, the EPA stakeholders have been directed to place emphasis on virtualizing physical servers in concert with the revised data center consolidation efforts referenced above. Specific direction has also been given to have stakeholders give primary consideration for moving server-based applications to the cloud or a core data center. These efforts will increase the EPA values for core to non-core operating system, core to non-core physical server ratio, and facility utilization. The estimated increase for each optimization metric will be determined after data center consolidation plans are finalized.
GAO	Government Purchase Cards: Opportunities Exist to Leverage Buying Power, GAO-16-526	<p>Report addresses duplication in purchasing efforts and methods to increase efficiency and achieve cost savings. The purchase card program was designed to streamline relatively small dollar value acquisitions of goods and services. In fiscal year 2015, the government spent approximately \$19 billion using purchase cards.</p> <p>GAO was asked to review whether agencies are effectively leveraging their buying power when using purchase cards. This report assesses the extent to which selected (1) agencies analyze purchase card data to identify opportunities to leverage buying power agency-wide and (2) purchase cardholders seek opportunities to achieve cost savings when using purchase cards.</p> <p>GAO analyzed data from the three banks that work with the six selected agencies—selected in part on varying levels of purchase card spend volume—to manage their purchase card programs. GAO evaluated policies, reviewed strategic sourcing efforts related to purchase cards, and interviewed officials. GAO also interviewed officials from the General Services Administration who manage the government's</p>	OARM	<p>GAO Recommendation: To ensure that good practices are shared within agencies, we recommend that the Secretaries of Defense, Veterans Affairs, the Interior, Homeland Security, and Energy, and the Environmental Protection Agency develop guidance that encourages local officials to examine purchase card spend patterns to identify opportunities to obtain savings and to share information on such efforts. Where applicable, we further recommend that these agencies determine the feasibility for broader application of these efforts across the agency or organization.</p> <p>EPA Response: As indicated in the report, the EPA's efforts to identify agency-wide spend patterns have achieved positive results in strategic sourcing savings, and opportunities to negotiate better terms and conditions on leveraged vehicles. In August 2015, the EPA implemented an automated purchase card management system, PaymentNet, which enhances the EPA's annual agency-wide spend analyses in support of its strategic sourcing program. The EPA also requires its purchase cardholders to use strategically sourced vehicles as set forth in the EPA's enclosed February 2016 policy "Requirements for Use of Strategic Sourcing Contract Vehicles." The EPA welcomes the opportunity to benchmark with other agencies and share the methodology and approaches undertaken to identify opportunities which lead to the positive outcomes identified in the report.</p>

		purchase card contracts, and interviewed selected cardholders at the two agencies with the highest purchase card spend.		
GAO	IT DASHBOARD: Agencies Need to Fully Consider Risks When Rating Their Major Investments, GAO-16-494	<p>Report addresses organizational structure in regard to the IT Portfolio and related risks in costs and in addressing agency and mission needs through IT investments. Although the government spends more than \$80 billion in information technology (IT) annually, many of the investments have failed or have been troubled. In December 2014, provisions commonly referred to as the Federal Information Technology Acquisition Reform Act (FITARA) were enacted. Among other things, FITARA states that OMB shall make available to the public a list of each major IT investment including data on cost, schedule, and performance. OMB does so via the Federal IT Dashboard—its public website that reports on major IT investments, including ratings from CIOs which should reflect the level of risk facing an investment.</p> <p>GAO's objectives were to (1) describe agencies' processes for determining CIO risk ratings for major federal IT investments primarily in development and (2) assess the risk of federal IT investments and analyze any differences with the investments' CIO risk ratings. To do so, GAO selected major IT investments with at least 80 percent of their fiscal year 2015 budget allocated to development (resulting in 95 investments across 15 agencies) and compared</p>	OEI	<p>GAO Recommendation: To better ensure that the Dashboard ratings more accurately reflect risk, the Secretaries of the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, State, Transportation, the Treasury, Veterans Affairs; the Administrator of the Environmental Protection Agency; and the Commissioner of the Social Security Administration should direct their CIOs to ensure that their CIO ratings reflect the level of risk facing an investment relative to that investment's ability to accomplish its goals.</p> <p>EPA Response: As stated in the EPA's response to the GAO's Draft Report, while the EPA agrees all agency CIOs should "ensure that their CIO ratings reflect the level of risk facing an investment relative to that investment's ability to accomplish its goals," the recommendation, in citing only specific agencies, seems to indicate the EPA does not consider an investment's ability to accomplish its goals as part of its CIO rating.</p> <p>Appendix II of the Final Report, like the Draft Report, provides a limited set of criteria used by the EPA to determine the CIO rating. The criteria includes the statement "... factors that are important to forecasting future success." As before stated, it should be clear from this statement that EPA does consider an investment's ability to accomplish its goals as part of the CIO rating.</p> <p>During the GAO engagement, the EPA provided the GAO with the narrative which goes out monthly with our IT Dashboard update request to investment owners. In addition, the EPA provided the GAO the criteria which our Senior Information Officers use in establishing their recommended CIO rating for investments. In the EPA's response to the Draft Report, we provided both the narrative and the criteria in our response and showed that risks are considered.</p> <p>The EPA recognizes that there is a disagreement with the eManifest CIO Risk Rating on April 2015; however, that does not mean that the EPA does not consider risks in the designation as reflected in the GAO's ranking in Table 7. The EPA believes it should not be included in the list of agencies that do not consider an investment's ability to accomplish its goals when setting a CIO rating since this is a critical factor in the EPA CIO ratings.</p> <p>Lastly, the GAO gave the EPA an "A" on the related criteria on the FITARA dashboard. If the GAO gave the EPA an "A" in that instance, it seems inconsistent for the GAO to then contend that the EPA is not considering risk as a factor.</p>

		CIO rating processes to OMB guidance. GAO also analyzed data on those investments to create its own risk assessments.		
GAO	Federal Information Security Officers: Opportunities Exist to Improve Roles and Address Challenges to Authority. GAO-16-686	<p>Report addresses role of CISO in assuring organizational approach to cyber security. Federal agencies face an ever-increasing array of cyber threats to their information systems and information. To address these threats, FISMA 2014 requires agencies to designate a CISO—a key position in agency efforts to manage information security risks.</p> <p>GAO was asked to review current CISO authorities. This report identifies (1) the key responsibilities of federal CISOs established by federal law and guidance and the extent to which federal agencies have defined the role of the CISO in accordance with law and guidance and (2) key challenges of federal CISOs in fulfilling their responsibilities. GAO reviewed agency security policies, administered a survey to 24 CISOs, interviewed current CISOs, and spoke with officials from OMB.</p>	OEI	<p>GAO Recommendation: To ensure that the role of the senior agency information security officer (SAISO) is defined in agency policy in accordance with FISMA 2014, we recommend that the Administrator of the Environmental Protection Agency take the following three actions:</p> <ul style="list-style-type: none"> • Define the SAISO's role in agency policy for ensuring that subordinate security plans are documented for the department's information systems. • Define the SAISO's role in agency policy for ensuring that plans and procedures are in place to ensure recovery and continued operations of the department's information systems in the event of a disruption. • Define the SAISO's role in agency policy in the periodic authorization of the department's information systems. <p>EPA Response: As the GAO noted, in the EPA's July 14, 2016 response to the Draft Report, the EPA agreed with the recommendations and planned to implement them. The role of the senior agency information security officer is defined in the enclosed agency Information Security – Security Assessment and Authorization Procedures, dated May 27, 2016. The procedures cover the SAISO's role in the assessment and authorization process, which includes periodic authorizations, contingency planning and subordinate security plans.</p>
GAO	Grants Management: EPA Could Improve Certain Monitoring Practices, GAO-16-530	Report addresses efficiency and costs savings from grant monitoring. Grants comprised about half of EPA's budget in 2015, or about \$4 billion. Through several grant programs, EPA headquarters and 10 regional offices award these grants to a variety of recipients, including state and local governments. EPA provides guidance through directives that seek to ensure the appropriate use of funds and achievement of environmental results or public health protection,	OARM	<p>Recommendation: The EPA Administrator should direct the Office of Grants and Debarment (OGD) and program and regional offices, as appropriate, as part of EPA's ongoing streamlining initiatives and the development of a grantee portal, to incorporate expanded search capability features, such as keyword searches, into its proposed web-based portal for collecting and accessing performance reports to improve their accessibility.</p> <p>The EPA agrees with this recommendation. The agency's vision for grants management includes having grant recipients submit performance reports and other information to the agency through a web-based portal. The portal would incorporate capabilities such as key word searches to allow for easier access to performance report information. However, the portal is a long-term initiative, subject to the agency's budget process, and dependent on the completion of the Next Generation Grants System, which the EPA expects to fully deploy in Fiscal Year 2018.</p>

		<p>among other purposes. GAO was asked to review how EPA monitors environmental and other grant results. This report examines (1) how EPA awards grants, (2) the federal and EPA requirements for monitoring grant and program results, and (3) how EPA monitors its grants to ensure that environmental and other program results are achieved. GAO analyzed relevant federal laws, regulations, and EPA guidance; reviewed processes for ensuring that environmental results are achieved for the three EPA program offices that award the majority of EPA grant dollars; and interviewed EPA officials and officials from eight state environmental agencies—selected based on the amount of environmental funding they receive from EPA.</p>	<p>Recommendation: The EPA Administrator should direct OGD and program and regional offices, as appropriate, as part of EPA's ongoing streamlining initiatives and the development of a grantee portal, to identify grant programs where existing program-specific data reporting can meet EPA's performance reporting requirements for grants management purposes to reduce duplicative reporting by grantees.</p> <p>The EPA generally agrees with this recommendation and will work with recipient partners to identify where duplicative reporting can be reduced. It is important to note, however, that program-specific data cannot be relied upon to meet all grants management requirements. Performance reports often contain other information that allows the EPA's Project Officers to monitor a recipient's progress in meeting work plan commitments. This information cannot be gleaned from output data entered into program-specific tracking systems. An additional challenge is that not all POs have access to program-specific databases. This will require the EPA to consider the feasibility of expanding PO access to those databases to enhance grant performance monitoring. We anticipate completing the process for identifying where duplicative reporting can be reduced by the end of FY 2017.</p> <p>Recommendation: The EPA Administrator should direct OGD and program and regional offices, as appropriate, as part of EPA's ongoing streamlining initiatives and the development of a grantee portal, once EPA's new performance system is in place, to ensure that the Office of Water adopts software tools, as appropriate, to electronically transfer relevant data on program results from program-specific databases to EPA's national performance system.</p> <p>The EPA generally agrees with this recommendation and will apply it, where appropriate and cost-effective, to program-specific databases, not only the Office of Water databases. Not all data from program-specific databases may be appropriate for direct electronic transfer to the national performance system; some individual grant data may need to be analyzed before being rolled up into national data. Implementation of this recommendation will depend upon the agency's program offices modifying their databases to interface with the new performance system. In addition, implementation of this recommendation is dependent upon completion of the agency's new performance system, currently under development; anticipated deployment is in 2017.</p> <p>Recommendation: The EPA Administrator should direct OGD and program and regional offices, as appropriate, as part of EPA's ongoing streamlining initiatives and the development of a grantee portal, to clarify the factors project officers should consider when determining whether performance reports are consistent with EPA's environmental results directive.</p> <p>The EPA agrees with this recommendation. The EPA will make conforming changes to the implementation guidance for the Environmental Results Order (Directive) in FY 2017.</p> <p>Recommendation: The EPA Administrator should direct OGD</p>
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GAO	Information Technology: Agencies Need to Improve Their Application Inventories to Achieve Additional Savings, GAO-16-511	Report addresses organizations application inventory to avoid duplication and achieve costs savings. The federal government is expected to spend more than \$90 billion on IT in fiscal year 2017. This includes a variety of software applications supporting	OEI	<p>GAO Recommendation: To improve federal agencies' efforts to rationalize their portfolio of applications, the heads of the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, the Treasury, and Veterans Affairs; and heads of the Environmental Protection Agency; National Aeronautics and Space Administration; National Science Foundation; Nuclear Regulatory Commission; Office of Personnel Management; Small Business Administration; Social Security Administration; and U.S. Agency for International</p>

		<p>agencies' enterprise needs. Since 2013, OMB has advocated the use of application rationalization. This is a process by which an agency streamlines its portfolio of software applications with the goal of improving efficiency, reducing complexity and redundancy, and lowering the cost of ownership. GAO's objectives were to determine (1) whether agencies have established complete application inventories and (2) to what extent selected agencies have developed and implemented processes for rationalizing their portfolio of applications. To do this, GAO assessed the inventories of the 24 CFO Act agencies against four key practices and selected six agencies—the Departments of Defense, Homeland Security, the Interior, Labor, and NASA and NSF—due to their IT spending, among other factors, to determine whether they had processes addressing applications.</p>		<p>Development should direct their Chief Information Officers (CIOs) and other responsible officials to improve their inventories by taking steps to fully address the practices we identified as being partially met or not met.</p> <p>EPA Response: As in the Draft Report, overall, the EPA agrees with the recommendation. Both the GAO's Draft and Final Reports cite that the EPA only "partially met the practice for including application attributes in the inventory because... it does not identify the business function for every application".</p> <p>In the EPA response to the Draft Report, the agency asked the GAO to add clarifying language in the Final Report to provide the full context of the EPA's practices. The GAO added language that clarifies that the agency is taking steps to populate the business function associated with all applications. That clarifying language more accurately reflects the EPA's current inventory practices.</p>
GAO	Grants Management: EPA Has Taken Steps to Improve Competition for Discretionary Grants but Could Make Information More Readily Available, GAO-17-161	<p>Report addresses organizations approach to managing discretionary grants to avoid duplication and efficient use of grant awards. EPA annually awards hundreds of discretionary grants, totaling about \$500 million. EPA has the discretion to determine grantees and amounts for these grants, which fund a range of activities, from environmental research to wetlands restoration. EPA awards and manages discretionary grants at 10 headquarters program offices and 10 regional offices. Past reviews by GAO and EPA's Inspector General found that EPA</p>	OARM	<p>GAO Recommendations</p> <p>Recommendation 1: To improve the quality of the EPA's internal records and the information the EPA can communicate to internal and external decision makers, the EPA Administrator should direct the Assistant Administrator for the Office of Administration and Resources Management to direct the Director of OGD to provide clear guidance to the EPA staff to help ensure that staff correctly identify all the EPA discretionary grant programs in the agency's internal grants management system.</p> <p>Agency Affected: Environmental Protection Agency</p> <p>The agency agrees with this recommendation. The Office of Grants and Debarment has already taken actions including developing, in coordination with EPA program offices and the Office of General Counsel, a list of active discretionary grant programs and posting it on the EPA intranet and internet to ensure dissemination to EPA staff and public transparency. As new programs are developed, the EPA will determine if they are discretionary or not and add them to the list as appropriate. The EPA has also added a statement</p>

		<p>has faced challenges managing such grants, including procuring insufficient competition for them and providing incomplete public information about them. GAO was asked to review EPA's management of discretionary grants. This report examines (1) how EPA manages competition for discretionary grants, (2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees, and (3) the information EPA makes publicly available on discretionary grants. GAO reviewed EPA's competition policy and guidance, examined internal evaluations of grant applications for competitions that were selected partly because they accounted for large portions of discretionary grant dollars, analyzed EPA data as well as information EPA made available on public websites, and interviewed EPA officials.</p>		<p>in section 070 of its Catalog of Federal Domestic Assistance program descriptions on whether the program makes awards on a discretionary basis. In addition, the EPA intends to be involved in any General Services Administration efforts in 2017 to improve CFDA descriptions which may include changes to CFDA template language that could improve discretionary grant designations. Further, the EPA, in 2017, will assess whether other actions are necessary to help staff better identify discretionary grant programs in its internal grant management systems including staff training and reconciling any inconsistencies in defining discretionary grants.</p> <p>The EPA has no plans to coordinate/collaborate with other agencies other than with GSA in any efforts to improve CFDA descriptions.</p> <p>Recommendation 2: To better enable Congress and other decision makers to monitor the EPA's management of discretionary grants, the EPA Administrator should direct the Assistant Administrator for the Office of Administration and Resources Management to direct the Director of OGD to determine how to make more complete information on the EPA's discretionary grants publicly available, such as by posting timely and complete reports on its website.</p> <p>Agency Affected: Environmental Protection Agency</p> <p>The agency agrees with this recommendation. In 2017, OGD will begin the process to examine whether and how it can use its internal Next Generation Grants System to generate more timely and complete reports related to discretionary grants and make them publicly available. Two areas that the EPA will explore in 2017 are the ability to use NGGS to: (1) generate more timely and complete information that can be publicly posted related to the number of applications received (and from what types of entities) for the agency's open competitive opportunities and (2) produce an annual report on the amount of funds per discretionary grant program and whether they were for new awards or amendments.</p> <p>The EPA has no plans to coordinate/collaborate with other agencies.</p>
OIG	Report: EPA's Purchase Order Process Needs to Improve and Achieve Better Value, Report #17-P-0001, October 13, 2016	Report addresses efficiency and cost savings. EPA purchase order procedures were not implemented in accordance with the Federal Acquisition Regulation (FAR) or the EPA Acquisition Regulation (EPAAR). In fiscal year 2015, up to 1,714 purchases could have been made with purchase cards, as opposed to purchase orders, to achieve cost savings through the	OARM	<p>The OIG recommended that the Assistant Administrator for Administration and Resources Management require the EPA to update its policy, procedures and checklists to cover applicable FAR and EPAAR requirements; require acquisition and program personnel to be trained; and promote greater use of purchase cards.</p> <p>The EPA provided alternative corrective actions for Recommendations 4 through 7, with a completion date of March 2017 for Recommendations 4 and 6, and a completion date of December 2016 for Recommendation 5. We believe the alternative corrective actions meet the intent of the original recommendations. Recommendations 4, 5, and 6 are considered open pending completion of proposed corrective actions. The EPA did not provide a completion date for Recommendation 7. Recommendation 7 is considered unresolved. The following</p>

		<p>maximum use of purchase cards as required by the FAR. In addition, the EPA's acquisition system did not always provide descriptions for supplies and services purchased as required by the Office of Management and Budget Circular A-123, the FAR, and General Services Administration criteria. These conditions occurred due to inadequate policies, procedures and training. As a result, competition, fairness and other economic opportunities may have been precluded. Also, the EPA is not realizing potential savings based on its current purchase card practices due to forfeited refunds, point-of-sale discounts, and reduced administrative costs.</p>		<p>is a summary of the agency's responses and our evaluation:</p> <p>Recommendations 4 and 6. For both of these recommendations, the EPA's initial response did not completely address the intent of the recommendation. However, on September 12, 2016, the EPA provided an acceptable corrective action. The EPA will develop a SAP checklist that will require users to indicate whether using a purchase card was considered and the reason why the purchase card was not used. We believe the alternative corrective action meets the intent of our recommendations.</p> <p>Recommendation 5. The EPA's initial response indicated that it disagreed with Recommendation 5. However, on September 12, 2016, the EPA provided an acceptable alternative corrective action with a completion date of December 2016. The EPA agreed to publish a "Flash Notice," which reiterates EPAAG 13.3.1.8 and 13.3.1.9, and advises COs that they may use purchase cards to place orders or make payments. We believe the alternative corrective action meets the intent of our recommendation.</p> <p>Recommendations 7. The EPA's initial response indicated that it disagreed with Recommendation 7. However, on September 12, 2016, the EPA provided an acceptable corrective action that we believe meets the intent of our recommendation. The EPA indicated that each OAM division will have at least one purchase cardholder per service center. However, the EPA did not provide a completion date for this alternative corrective action.</p> <p>The EPA concurred with Recommendations 8 through 10, and provided a completion date of April 2016 for Recommendations 8 and 9, and July 2016 for 17-P-0001 18</p> <p>Recommendation 10. For Recommendations 8 and 9, the EPA implemented guidance to provide a complete description of supplies and services used to feed FPDS-NG and CDW. For Recommendation 10, OAM agreed with our recommendation and provided training to its divisions and the regions, which included information on the "description of requirement field."</p> <p>OAM also stated it would continue the activities of an annual Independent Verification and Validation Review and peer reviews to periodically check for accuracy and completeness of the description of requirement fields. These three recommendations are considered closed.</p>
OIG	<p>Report: Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time</p> <p>Report #16-P-0333, September 27, 2016</p>	<p>Report focuses on organizational policy and cost savings with enhanced controls. Based on our analysis, time and attendance records support that the retired OCSPP employee earned the accumulated Religious Compensatory Time hours. However, we identified concerns with</p>	OARM & OEI	<p>We recommend that the Assistant Administrator for Administration and Resources Management enhance internal controls over Religious Compensatory Time by revising its policies and procedures, requiring documentation of intended use plans, prohibiting the earning of additional religious compensatory hours in excess of the maximum established balance, and developing training on proper use of Religious Compensatory Time. Further we recommend that the Chief Financial Officer modify the EPA's payroll and time and attendance system to prevent employees from accumulating excessive Religious Compensatory Time.</p>

		<p>the EPA's internal controls that allowed the excessive accumulation of Religious Compensatory hours by agency employees, and the OCSPP employee received a payout of \$32,469 for unused Religious Compensatory Time upon retirement. EPA policy and procedures on accumulation and use of Religious Compensatory Time meet the requirements of federal laws and regulations, but are not specific enough to prevent abuse. The agency's controls do not enforce the requirement for employees to link the earning of Religious Compensatory Time to specific religious observances. The EPA lacks detailed controls covering the accumulation, use and monitoring of Religious Compensatory Time, resulting in practices being noncompliant with the intent of federal law and regulations, and not being consistent with U.S. Office of Personnel Management best practices. Inadequate controls allowed several agency employees to maintain significant positive Religious Compensatory Time balances for extended periods of time without intended use plans. Also, significant negative balances were retained without a plan to repay the hours. The agency has not provided staff with training or established adequate guidance to effectively manage and monitor Religious Compensatory Time. As a result, in addition to the OCSPP employee, the EPA paid 13 other employees \$41,045 for unused</p>	<p>The Office of Administration and Resources Management concurred with Recommendations 1 through 3, and provided proposed corrective actions. When implemented, we believe the proposed actions will meet the intent of our recommendations. The recommendations will remain open with corrective actions pending.</p> <p>The Office of the Chief Financial Officer concurred in principle with Recommendation 4, and indicated it intends to coordinate with the agency's payroll provider on the feasibility of modifying the payroll system. The Office of the Chief Financial Officer indicated it will submit a change request to the provider for review and approval. Once payroll changes are determined feasible, the Office of the Chief Financial Officer indicated it will make the necessary changes to the time and attendance system. The Office of the Chief Financial Officer's proposed corrective actions do not fully meet the intent of the recommendation, because they do not indicate what actions will be taken if the payroll system changes are not feasible. Further, an estimated completion date was not provided. Therefore, Recommendation 4 is unresolved.</p>
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		Religious Compensatory Time upon separation. Further, if no action is taken to reduce additional employees' high balances, future payments totaling up to \$81,927 could be made.		
OIG	Report: EPA Oversight of Travel Cards Needs to Improve Report #16-P-0282, August 24, 2016	This report addresses organizational control over travel card program and potential savings. The EPA does not check travel card bank rebates for accuracy. As a result, the agency does not know whether travel card rebates received from the bank are accurate. The EPA did not comply with the legal requirement to return rebates to each appropriation proportionally or to the U.S. Treasury (an option when rebates are not applied proportionally). Instead, the agency selectively returned travel rebates to only a portion of EPA appropriations within a travel reserve account. As a result, rebates totaling \$240,375 in fiscal year 2014 and \$283,789 in fiscal year 2015 were incorrectly returned to only four of 11 EPA appropriations. EPA oversight does not maximize sales and productivity-based rebates. The agency's Cincinnati Finance Center does not emphasize that supervisors should hold late-paying travel cardholders responsible, require maximum use of the travel card for official government expenses, or require that all expenses charged on the card are paid directly to the bank. These practices may result in more delinquent accounts and fewer bank rebate dollars.	OCFO	<p>We recommend that the EPA's Office of the Chief Financial Officer (OCFO) institute a process to verify the accuracy of travel card rebates, and establish and implement policies and procedures to correctly distribute travel card rebates. We also recommend that OCFO develop controls and a timeline for addressing late vouchers, revise the travel card policy to institute stronger controls, and modify Concur so that lodging and rental car expenses can only result in a bank card payment. In addition, we recommend that the OCFO require travel cardholders to complete training that covers the importance of split payments, timely payments, and the consequences of failure to comply.</p> <p>The EPA agreed with Recommendation 1 and provided corrective actions that meet the intent of the recommendation. The EPA will verify the bank refund with the agency's calculation and spending. The new procedure became effective with third quarter FY 2016 rebates. The agency has completed a portion of the corrective actions. Recommendation 1 is open pending completion of the corrective actions.</p> <p>The EPA agreed with Recommendation 2 and completed a portion of the corrective actions in May 2016. In response to Recommendation 2, the EPA updated its Travel Rebate Standard Operating Procedures to require funds to be distributed to the original appropriations. The updated procedures describe how the EPA will distribute the rebates across appropriations based on the proration of travel obligations. According to the agency, this method of distribution will be retroactively applied to the beginning of FY 2016.</p> <p>The agency completed a portion of the corrective actions for Recommendation 2. This recommendation is open pending completion of the remaining corrective actions.</p> <p>The EPA agreed with Recommendations 3 through 6, and provided planned corrective actions with milestone dates. A summary of the agency's responses include the following:</p> <p>Recommendation 3. The EPA's initial response to Recommendation 3 did not completely address the intent of the recommendation. However, on July 12, 2016, the EPA provided an acceptable corrective action. The EPA will revise its travel card policy to require Senior Resource Officials and supervisors to utilize the Executive Resource Center Unpaid Travel Authorization tool to monitor timely voucher submissions.</p> <p>Recommendation 4. The EPA will revise travel card policy to institute stronger controls that include timely travel card payments, adverse actions for late payments, and the requirement to use the travel card for all travel expenses.</p>

				<p>Recommendation 5. The EPA will set Concur to default payments for hotel and rental car to the government credit card. The traveler will not be able to change the default payment.</p> <p>Recommendation 6. The EPA will require cardholders to complete GSA travel card training. The agency will also update its travel policy to cover the importance of split payments; timely payments; and the consequences of failure to comply, so that disciplinary action can be taken against late-paying cardholders. Once the travel card policy is updated, the EPA will notify the travel community by email, web posting and webinar; and through training sessions.</p> <p>The planned corrective actions meet the intent of Recommendations 3 through 6. Recommendations 3 through 6 are open with corrective actions pending.</p>
OIG	<p>Report: EPA Needs to Improve Oversight of Its Transit Subsidy Benefits Program</p> <p>Report #16-P-0268, August 16, 2016</p>	<p>This report addresses organization management of transit subsidy program and cost savings. The EPA operates a transit subsidy benefits Weak internal controls program for its employees covering 13 separate made EPA transit locations. Most of the locations did not comply with subsidies of about \$10 million vulnerable all of the Office of Management and Budget's to potential abuse. We (OMB's) 10 minimum internal control requirements.</p>	OARM	<p>We recommend that the agency provide oversight to regions and field offices to enforce compliance with OMB's 10 minimum internal control policies. Also, the Assistant Administrator for Administration and Resources Management should implement internal controls for transit processors. In addition, Region 6 should update its transit policy, Region 9 should allow its employees to use only one transit payment system, and Region 10 should perform a commuting cost analysis to determine the most cost-beneficial fare options.</p> <p>The agency concurred with Recommendations 1 and 2 and provided estimated completion dates of not later than December 31, 2016, for both recommendations. For Recommendation 1, the agency stated, "The agency will develop a transit subsidy policy covering all locations offering transit subsidy." For Recommendation 2, the agency stated, "The agency will require senior resource officials to certify annually that the 10 minimum controls are implemented." The OIG concurs with the agency's proposed actions and, when implemented, the corrective actions will satisfy the intent of Recommendations 1 and 2. These two recommendations will remain open pending completion of the proposed corrective actions.</p> <p>The agency concurred with Recommendations 3 and 4. For Recommendation 3, OARM stated, "The Headquarters will assess the current Headquarters separation check sheet and identify opportunities to strengthen controls." OARM provided an estimated completion date of no later than December 31, 2016. The OIG concurs with the agency's proposed actions and, when implemented, the corrective actions will satisfy the intent of Recommendation 3. This recommendation will remain open pending completion of the proposed corrective action.</p> <p>As of July 19, 2016, OARM had completed corrective actions for Recommendation 4. OARM stated that the Facilities Management and Services Division "has received the monthly separation report from OHR, and has confirmed the</p>

			<p>separated employees have been removed from the HQ transit subsidy program.” The OIG concurs with the agency’s new practice, and it satisfies the intent of Recommendation 4. Recommendation 4 is complete and thus closed.</p> <p>The agency concurred with Recommendation 5. For Recommendation 5, Region 6 stated, “The Region 6 will, upon receipt of the agency transit policy, develop and implement corresponding procedures.” Region 6 provided an estimated completion date of no later than March 31, 2017. The OIG concurs with the agency’s proposed actions and, when implemented, the corrective actions will satisfy the intent of Recommendation 5. This recommendation will remain open pending completion of the proposed corrective action.</p> <p>The agency concurred with Recommendations 6 through 8. As of June 28, 2016, Region 9 has completed corrective actions for Recommendation 6. Region 9 stated that it has completed an analysis and has selected one transit payment system (card program administered by the Cincinnati Finance Center). This system is to be implemented by December 31, 2016. Recommendation 6 is thus closed. For Recommendation 7, the agency stated: The region completed an analysis in December 2014 covering the best option for providing a transit program to the Region 9 employees. The Region 9 Headquarters will coordinate with employees and local bargaining units to implement the change. Furthermore, the Region 9 will evaluate alternative approaches for other Region 9 locations. Region 9 provided an estimated completion date of no later than December 31, 2016. For Recommendation 8, the agency stated: The region will ensure that whichever transit payment system it chooses as described in response to recommendation seven will have appropriate internal controls consistent with the Office of Management and Budget and the Internal Revenue Service guidance. Region 9 provided an estimated completion date of no later than December 31, 2016. The OIG concurs with the agency’s proposed actions and, when implemented, the corrective actions will satisfy the intent of Recommendations 6 through 8. These recommendations will remain open pending completion of the proposed corrective actions.</p> <p>The Regional Administrator, Region 10, concurred with Recommendations 9 and 10. As of July 8, 2016, Region 10 has completed corrective actions for both recommendations. For Recommendation 9, Region 10 stated it has: Determined that DOT Transerve Debit Card program (also used by Region 3) is our best choice. The available debit card programs operate in very similar ways and have very similar cost profiles.</p> <p>For Recommendation 10, Region 10 stated that: The current agreement with DOT will expire at the end of the current fiscal year. We expect to have the new agreement in place effective Oct. 1, 2016.... [O]ur shift to a debit card program implements this recommendation or alternatively renders it moot.</p>
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<p>OIG</p>	<p>Report: EPA Should Timely Deobligate Unneeded Contract, Purchase and Miscellaneous Funds</p> <p>Report #16-P-0135, April 11, 2016</p>	<p>Report addresses organizations management of contract, purchase and miscellaneous deobligation requirements and cost savings The EPA did not deobligate \$583,875 from contract, purchase and miscellaneous obligations that had no activity in the last 18 months. Further, we estimated there could be an additional \$2,962,058 that could be deobligated. EPA guidance requires deobligating inactive obligations without any activity for 6 months or more. Further, federal and agency guidance requires unliquidated obligations to be reviewed at least annually. However, EPA personnel did not adequately review or monitor outstanding obligations to ensure amounts remaining were valid. Consequently, the EPA was unable to reprogram unneeded funds to other environmental activities that could result in benefits for human health and the environment.</p>	<p>OCFO</p> <p>During the course of our audit, the agency deobligated \$259,065 of the \$583,875 in unliquidated obligations that we cited. We recommend that the agency deobligate the remaining \$324,810, and review any obligations that have not had activity in the last 18 months to see if any of the additional \$2,962,058 noted can be deobligated. We also recommend that the agency instruct personnel to annually use the unliquidated obligations desktop tool to timely identify and deobligate unneeded funds. The agency concurred with and provided acceptable corrective milestone completion dates for all recommendations. The agency deobligated \$67,190 of the \$324,810 in unliquidated obligations that were identified for deobligations. The agency plans on deobligating the remaining \$257,620 in April 2016. Also, the agency implemented a new on-line unliquidated obligations database system to streamline and improve the agency's unliquidated obligations review process, and the Office of the Chief Financial Officer will provide training to Project Officers, Contracting Officers and Funds Control Officers on the unliquidated obligations desktop tool.</p> <p>OCFO and OARM concurred with Recommendations 1 through 3.</p> <p>For Recommendation 1, OCFO and OARM stated: EPA will re-examine remaining funds for potential de-obligation identified under Table 1 of the subject audit report, and disposition with the appropriate actions based upon that review. Monies under contract C0S902300059 (Table 1) have been de-obligated. Contracts W0707404013 and EP11H000785 are HQ [Headquarter] contracts and will be dispositioned by April 29, 2016. Contracts W0600400011 and W0600400012 are Region 6 vehicles and must be dispositioned by Region 6. OAM [Office of Acquisition Management] will advise Region 6 of the need to disposition these items.</p> <p>OCFO and OARM provided a milestone completion date of April 29, 2016. The OIG concurs with the agency's proposed actions, and, when implemented, the corrective actions will satisfy the intent of Recommendation 1. This recommendation will remain open pending completion of the proposed corrective action.</p> <p>For Recommendation 2, OCFO and OARM stated: During the OIG's audit activities, EPA implemented a new on-line ULO database system in June 2015. This new system was a product of the FY [fiscal year] 2014 OCFO-chaired Lean Government exercise to streamline and improve the agency's ULO review process. Under the Lean review process conducted in the new system, ULOs under all EPA contracts approximated \$1.052B as of early June 2015. As of September 30, 2015, this balance was reduced to approximately \$120.9M - a decrease of approximately 89%. Accordingly, EPA considers ULO reviews to be completed until the next review cycle. OCFO initiated the annual ULO review cycle in February 2016. Reviews of current ULOs are conducted during the annual review process.</p> <p>OCFO and OARM provided a completion date of September 30, 2015. The OIG concurs with the agency's corrective actions and that they have met the intent of Recommendation 2. This recommendation is closed.</p> <p>For Recommendation 3, OCFO and OARM stated: In FY [fiscal year] 2016, OCFO will provide training to POs</p>
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				<p>[Project Officers], COs [Contracting Officers], and FCOs [Funds Control Officers] on the ULO desktop tool. In addition, OCFO established a ULO SharePoint site with a number of resources, including ULO review statistics by office and region to help in the ULO review process. OCFO and OARM provided a milestone completion date of June 30, 2016. The OIG concurs with the agency's proposed actions, and, when implemented, the corrective actions will satisfy the intent of Recommendation 3. This recommendation will remain open pending completion of the proposed corrective action.</p>
OIG	<p>Report: EPA's Tracking and Reporting of Its Conference Costs Need Improvement</p> <p>Report #16-P-0081, January 7, 2016</p>	<p>The report addresses the organizations management of conference spending and cost savings. The EPA established internal controls to report conferences both publicly and to the OIG as required by M-12-12 and Public Law 113-76. However, we found improvements are needed.</p>	OCFO	<p>We recommend that the Office of the Chief Financial Officer (OCFO) provide additional guidance or training on how to identify unallowable conference costs, use correct conference project codes, identify all conference costs in the financial system, report all conference costs paid with EPA funds, and classify conferences properly. We also recommend that OCFO work with program offices to identify EPA Form 5170A cost reporting issues and revise the form as needed.</p> <p>The EPA agreed with the recommendation and provided planned corrective actions with milestone dates. In response to Recommendation 3, the EPA included four corrective actions. These corrective actions include:</p> <ul style="list-style-type: none"> · Implementing a process/policy to ensure that procurements will utilize conference project codes. · Working with the Funds Control Officer community to ensure travelers use the correct conference code on vouchers. · Emphasizing the need to identify all costs in the financial system. · Implementing enhancements to facilitate the reporting of all conference costs. (Completed May 2015) <p>When all of these corrective actions are implemented, they should address Recommendation 3.</p> <p>The EPA agreed with the recommendation and provided a planned corrective action with a milestone date. The EPA has agreed to revise the sponsor definition in the EPA's <i>Conference Spending Guide</i> to provide more specificity and clarity. When implemented, the corrective actions should address Recommendation 4.</p> <p>The EPA did not agree with the OIG's interpretation that the agency was a sponsor for WEFTEC in 2014. The EPA stated that it was not a sponsor of the WEFTEC conference because the EPA did not provide funding and was not shown in the sponsor section of WEFTEC materials. The OIG stands by its interpretation that EPA was a sponsor based on OCFO's conference spending guide definition. The definition states that the EPA is a sponsor of an event if the agency provided funding or tangible support to a conference or appeared as a sponsor on any event materials, and tangible support is the provision of financial assistance, material goods or services. The EPA participated in WEFTEC's 11 Technology Innovation Blueprint sessions and the program noted that "EPA and WEF are convening working sessions throughout WEFTEC." We note that the EPA had direct involvement in the development of those sessions and provided technical</p>

				expertise. Therefore, the EPA was a sponsor by its own definition.
OIG	<p>Report: EPA's 2014 Early-Out and Buyout Activities Aided Workforce Restructuring Goals, and Continued Monitoring of Progress Can Show Value of Restructuring</p> <p>Report #17-P-0140, March 23, 2017</p>	<p>This report addresses the organization's use of various efforts to manage and address workforce issues. The EPA used its VERA-VSIP authority to buy out employees in certain targeted positions. This helped the agency accomplish certain restructuring goals, including reducing the size of program and regional offices, reducing the number of highly graded positions, and eliminating surplus positions. Although progress has been made in filling positions designated for restructuring under VERA-VSIP, not all workforce restructuring goals had been achieved at the time we concluded our review. Two of five EPA organizations we reviewed reported that all the VERA-VSIP-vacated positions planned for restructuring had been filled. Overall, approximately 80 percent of the positions (57 of 73) in our sample targeted for restructuring had been filled. Other VERA-VSIP goals—such as increasing the number of staff per supervisor and obtaining staff with new skill sets—were also not complete at the time we concluded our review. Further, there are limitations in determining whether goals for increasing the staff-per-supervisor ratio and changing organizational structure were met, because some EPA organizations did not specify a metric for their goals or an identifiable end point for restructuring. Specific</p>	OARM	<p>We made two recommendations to the Assistant Administrator for Administration and Resources Management to monitor the remaining VERA-VSIP activities and determine the value of VERA-VSIP as a workforce tool.</p> <p>In response to the draft report, OARM agreed with the recommendations and provided corrective actions and completion dates. OIG and OARM representatives met to discuss the recommendations and agency response. Recommendations 1 and 2 are resolved and closed. We also received separate comments from Region 1, which we incorporated into the report as appropriate. Prior to issuing the final report we received supplemental comments and information from OARM and OW, which were incorporated into the report as appropriate.</p>

		<p>metrics were not required by OPM.</p> <p>The EPA complied with OPM's reporting requirements during and immediately after the completion of the early-outs and buyouts. In addition, the agency developed "hiring templates," which were designed to track the status of positions vacated through the buyouts, so that positions targeted for elimination were not refilled and positions targeted for restructuring were filled using different position descriptions. However, the agency did not have a system to monitor its progress in achieving all of the remaining VERA-VSIP goals. As a result, the agency could not assess the overall impact, effectiveness and value of VERA-VSIP as a workforce restructuring tool.</p>		
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